

REMARKS

Claims 1-28 remain in the application. The claims have been carefully reviewed with particular attention to the points raised in the Office Action. It is submitted that no new matter has been added and no new issues have been raised by the present amendment

Reconsideration is respectfully requested of the rejection of claims 1, 3-8, 11, 13-18 and 28 under 35 U.S.C. § 102(e), as allegedly being anticipated by U.S. Patent No. 6,260,111 to Craig et al.

Applicant has carefully considered the comments of the Office Action and the cited reference, and respectfully submits that claims 1, 3-8, 11, 13-18 and 28 are patentably distinct over the cited reference for at least the following reasons.

The present invention relates to a system for automatic connection to a network. The system also relates to an online advertisement system and to management of digital rights of digital content over the network. The system includes a data card, a data card reader, a data processor and an application program residing in a memory of the data card. The data card may contain user information, including digital rights information. The data card reader may access the user information on the data card, and the data processor may be connected to the network. The application

program can be configured to operate in conjunction with a universal language for creating and controlling digital rights, to manage user rights of digital content available on the network based upon the digital rights information contained on the data card.

Craig et al., as understood by Applicant, relates to a system and method for network power management incorporating user identity and preferences via a power managed access card. The system includes a network computer having an access port for receiving the access card that includes a processor and storage for providing secure information. The network computer is controlled by detecting the presence of the access card and accessing the card to obtain user-specific information. The power management of the network computer may be controlled based upon the user-specific information on the access card.

The user information may also be provided to the network computer by storing user specific information on an access card that includes a processor and storage such that the user information stored on the processor may only be accessed through the access card. The access card may then be provided to the network computer and accessed to obtain the user specific information independent of the network connections of the network computer.

User identification information, which may be encrypted, may be stored on the access card and validated to permit access to the network computer. User activity may be tracked or monitored to establish power management preferences for the user, and the network may be activated and deactivated by the detected presence or absence of the access card.

In response to Applicant's arguments included in the December 15, 2001 Request For Reconsideration, the Office Action contends that "[T]he smart card or access card of Craig et al. includes user information, including network preferences(digital rights), which are supplied to the network. The Office Action further contends that "[T]he smart card must contain an application program, which operates in conjunction with a universal language for creating and controlling digital rights if the card is to communicate with the CPU (see Office Action, p. 10). Applicant respectfully disagrees.

Upon insertion of the access card into the access card port, the network computer of Craig et al. senses and accesses the access card to retrieve stored user information (see Craig et al., Col. 6, lines 53-60). The user information may include decryption keys for accessing smart card data via the smart card's processor, a personal identification number (PIN) and/or password and user logon identifier name. The user information may be utilized to determine if a valid user is using the network computer (see id., Col. 7,

lines 13-19). If the user is valid, the power management unit of the network computer activates a power-up procedure. If user preferences are present on the smart card, these preferences may be incorporated in power management. The user preferences are used by the network computer to configure functions such as such as power management, including screen saver delay and display deactivation times, applications and run-time environment desired by the user (see *id.*, Col. 7, lines 23-55).

That is, as understood by applicant, the network computer of Craig et al. uses the user information to validate the user and to configure the network computer. More specifically, user preferences are utilized by the network computer to configure the network computer and user preferences as to power management are utilized in power management of the network computer.

In contrast, the system of the present application includes a data card having a memory component and an application program resident in the memory component of the data card where the application program is configured to operate in conjunction with a universal language for creating and controlling digital rights (see present specification, p. 24, line 29 to p. 25, line 5).

The user information of the present invention includes digital rights information specific to the user, and the application program resident on the memory component of the data card operates

to manage user rights of digital content available on the network based on the user-specific digital rights (see id., p. 24, line 15 to p. 26, line 16).

More specifically, the application program resident on the memory component of the data card is configured to operate in conjunction with a universal language for creating and controlling digital rights to manage user rights of the digital content available on the network based on the digital rights information specific to the user (see id., p. 24, line 29 to p. 25, line 3).

Craig et al. fails to show or suggest digital rights information at all, much less digital rights information specific to the user. The user preferences that may be included in the user information of Craig et al. are not digital rights to manage user rights of digital content available on the network. As noted above, in Craig et al., user information may be used by the network to computer to validate the user and the user preferences may be used to configure the network computer. The user preferences related to power management are used in power management of the network computer.

Furthermore, the smart card of Craig et al. does not contain an application program which operates in conjunction with a universal language for creating and controlling digital rights since Craig et al. makes no mention at all of digital rights

information.

As understood by Applicant, Craig et al. fails to disclose or suggest a system for managing digital rights of digital content over a network, comprising a data card which contains user information including digital rights information specific to a user, the data card having a memory component for enabling information to be stored within the data card, a data card reader adapted to access the user information, a data processor, and an application program resident on the memory component of the data card, the application program being configured to operate in conjunction with a universal language for creating and controlling digital rights, to manage user rights of digital content available on the network based on the digital rights information contained on the data card, as described above and as recited in independent claim 1.

Accordingly, for at least the above-stated reasons, it is respectfully submitted that independent claim 1, and the claims depending therefrom, including claims 3-8, are patentable over the cited reference. Independent claim 11, and the claims depending therefrom, including claims 13-18, are believed to be patentable over the cited reference for at least similar reasons. Independent claim 28 is also believed to be patentable over the cited reference for at least similar reasons.

Reconsideration is respectfully requested of the rejection of claims 2 and 12 under 35 U.S.C. § 103(e) as allegedly being unpatentable over Craig et al. in view of U.S. Patent No. 6,460,076 to Srinivasan.

Applicant has carefully considered the comments of the Office Action and the cited references, and respectfully submits that claims 2 and 12 are patentably distinct over the cited references for at least the following reasons.

The Office Action states that "Craig et al. fails to teach the digital rights being in the forma of one of the following: e-books, e-magazines, e-newsletters, software games, digital music and digital video." (see Office Action, page 6). Srinivasan is cited as allegedly showing the missing element.

Srinivasan, as understood by Applicant, relates to a pay-per-record system and method that provides for downloading and recording of data files over a data network such as the World Wide Web. A server connected to the World Wide Web includes a database which contains a number of data files such as music, video and software that it wishes to sell to customers. A web page is provided on the server to access and view the products for sale. A system for billing is incorporated into the server such that when a user logs in there is either a confirmation that the user has an account with the service provider or credit card information is

provided against which charges may be made.

Through the web browser, the user makes selections and begins download of information into a memory in the user interface. A recorder for recording information on portable media such as an optical disk is connected to the user interface. Once the information is downloaded over the network into the memory, a plug-in in the web browser decompresses and decrypts the file and begins a transfer to the recorder. Upon completion of recording, a confirmation message is sent to the server and the user is billed for the download. After billing, the plug-in deletes the information from the memory and unlocks the portable media so the user can play the information on another device.

As understood by Applicant, Srinivasan discloses allowing the user to download digital information in the form of music, video, and other data transferable via the World Wide Web (see Srinivasan Col. 3, lines 41-48).

Applicant respectfully submits, however, that Srinivasan does not disclose or suggest, either alone or in combination with Craig et al., a system for managing digital rights of digital content over a network, comprising a data card which contains user information including digital rights information specific to a user, the data card having a memory component for enabling information to be stored within the data card, a data card reader

adapted to access the user information, a data processor, and an application program resident on the memory component of the data card, the application program being configured to operate in conjunction with a universal language for creating and controlling digital rights, to manage user rights of digital content available on the network based on the digital rights information contained on the data card, as described above and as recited in independent claim 1.

Accordingly, for at least the above-stated reasons, it is respectfully submitted that independent claim 1, and the claims depending therefrom, including claim 2, are patentable over the cited references. Independent claim 11, and the claims depending therefrom, including claim 12, are believed to be patentable over the cited references for at least similar reasons.

Reconsideration is respectfully requested of the rejection of claims 9-10, 19-21 and 23-27 under 35 U.S.C. § 103(e), as allegedly being unpatentable over Craig et al. in view of U.S. Patent No. 6,473,500 to Risafi et al.

Applicant has carefully considered the comments of the Office Action and the cited references, and respectfully submits that claims 9-10, 19-21 and 23-27 are patentably distinct over the cited references for at least the following reasons.

The Office Action states that "Craig et al. fails to teach

having an account balance and updating the balance of the user." (see Office Action page 8). Risafi et al. is cited as allegedly showing the missing element.

Risafi et al. as understood by Applicant, relates to a system and method for using a prepaid calling card. The system and method permits a user to purchase a card issued by an issuer such as a bank through an agent at a retail establishment via a terminal. The user may select a personal identification number (PIN), have the card activated at the point of purchase, use the card to purchase goods and services, and reload the card for future use. The system uses a communications network for issuance, activation, and accounting, and activation is accomplished on a real-time basis, either one account at a time or in a batch mode.

It is respectfully submitted, however, that neither Craig et al., nor Risafi et al., alone or in combination, disclose or suggest a system for managing digital rights of digital content over a network, comprising a data card which contains user information including digital rights information specific to a user, the data card having a memory component for enabling information to be stored within the data card, a data card reader adapted to access the user information, a data processor, and an application program resident on the memory component of the data card, the application program being configured to operate in

conjunction with a universal language for creating and controlling digital rights, to manage user rights of digital content available on the network based on the digital rights information contained on the data card, as described above and as recited in independent claim 1.

Accordingly, for at least the above-stated reasons, it is respectfully submitted that independent claim 1, and the claims depending therefrom, including claims 9 and 10, are patentable over the cited references. Independent claim 11, and the claims depending therefrom, including claims 19 and 20, are believed to be patentable over the cited references for at least similar reasons.

Independent claim 21, and the claims depending therefrom including claims 23-27, are believed to be patentable over the cited references for at least similar reasons.

Reconsideration is respectfully requested of the rejection of claim 22 under 35 U.S.C. § 103(e), as allegedly being unpatentable over Craig et al. in view of Risafi et al. and further in view of Srinivasan.

Applicant has carefully considered the comments of the Office Action and the cited references, and respectfully submits that claim 22 is patentably distinct over the cited references for at least the following reasons.

The Office Action contends that neither Craig et al. nor

Risafi et al. disclose or suggest digital content in the form of e-books, e-magazines, e-newsletters, software, games, digital music and digital video (see Office Action, p. 10). Srinivasan is cited by the Office Action as allegedly disclosing this missing element.

It is respectfully submitted that neither Craig et al., nor Risafi et al., nor Srinivasan, either alone or in combination, disclose or suggest a system for managing digital rights of digital content over a network, comprising a data card which contains user information including digital rights information specific to a user, the data card having a memory component for enabling information to be stored within the data card, a data card reader adapted to access the user information, a data processor, and an application program resident on the memory component of the data card, the application program being configured to operate in conjunction with a universal language for creating and controlling digital rights, to manage user rights of digital content available on the network based on the digital rights information contained on the data card, to track subsequent use of the digital content by the user, to update an account balance of the user stored on the memory component for payment of fees for accessing and using digital content, and to maintain financial information for an owner of the digital content, as recited in independent claim 21.

Accordingly, for at least the above-stated reasons, it is

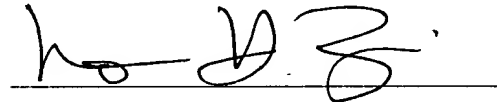
respectfully submitted that independent claim 21, and the claims depending therefrom, including claim 22, are patentable over the cited references.

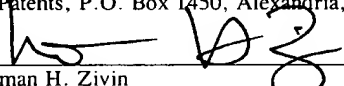
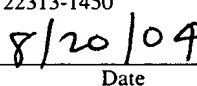
Should the Examiner disagree, it is respectfully requested that the Examiner specify where in the cited document there is a basis for such disagreement.

The Office is hereby authorized to charge any fees which may be required in connection with this Request For Reconsideration and to credit any overpayment to Deposit Account No. 03-3125.

Favorable reconsideration is earnestly solicited.

Dated: August 20, 2004



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